

RENTON CITY COUNCIL
Regular Meeting

August 10, 2009
Monday, 7 p.m.

Council Chambers
Renton City Hall

MINUTES

CALL TO ORDER

Mayor Law called the meeting of the Renton City Council to order and led the Pledge of Allegiance to the flag.

**ROLL CALL OF
COUNCILMEMBERS**

RANDY CORMAN, Council President; GREG TAYLOR; RICH ZWICKER; KING PARKER; DON PERSSON; MARCIE PALMER. MOVED BY TAYLOR, SECONDED BY CORMAN, COUNCIL EXCUSE ABSENT COUNCILMEMBER TERRI BRIERE. CARRIED.

CITY STAFF IN ATTENDANCE

DENIS LAW, Mayor; JAY COVINGTON, Chief Administrative Officer; MARK BARBER, Assistant City Attorney; BONNIE WALTON, City Clerk; ALEX PIETSCH, Community and Economic Development Administrator; GREGG ZIMMERMAN, Public Works Administrator; IWEN WANG, Finance and Information Services Administrator; SUZANNE DALE ESTEY, Economic Development Director; FIRE AND EMERGENCY SERVICES ADMINISTRATOR I. DAVID DANIELS and DEPUTY CHIEF MARK PETERSON, Fire & Emergency Services Department; COMMANDER KENT CURRY, Police Department.

SPECIAL PRESENTATION

Fire: Meritorious Service Award, Wells Ave S Fire, Engine & Aid Crew 11

Fire Chief and Emergency Services Administrator I. David Daniels awarded the crews of Engine 11 and Aid 11 Meritorious Unit Citations for their outstanding efforts regarding the five-alarm fire that occurred at 232 Wells Ave. S. on 6/11/2009. Firefighter Michael Bain, a member of Engine 11 crew, was also awarded the Meritorious Service Award.

PUBLIC HEARING

CED: South Lake Washington & Port Quendall, Local Revitalization Areas

This being the date set and proper notices having been posted and published in accordance with local and State laws, Mayor Law opened the public hearing to consider leveraging State funds for local revitalization financing (LRF) by establishing "revitalization areas," potentially identified as South Lake Washington and Port Quendall.

Community and Economic Development Administrator Alex Pietsch remarked that it is important during challenging economic times to look for innovative ways to bolster the City's economy and to take advantage of opportunities as they arise. He introduced Economic Development Director Suzanne Dale Estey.

Ms. Dale Estey reported that the City has established a local LRF team consisting of staff from the Economic Development, Finance, Public Works, and the Community Services departments. She stated that in addition to City staff, consultants Jay Rogers of Berk & Associates, and Doug Levy of Outcomes by Levy are also included on the team.

Ms. Dale Estey announced that a new state law entitled the Second Substitute Senate Bill 5045 was authorized this session. She stated that the intent and purpose of the legislation is to stimulate business activity, create jobs, promote efficient land use, and lower the cost of housing. She remarked that the legislation is additionally intended to assist local governments in financing local infrastructure as a catalyst for new development and future private investment.

Ms. Dale Estey explained that LRF is a form of tax increment financing that estimates the growth of certain state and local tax revenues in a specific area.

She stated that these areas are referred to as revitalization areas or "RAs". She noted that LRF estimates the growth of revenues as a result of the local public improvements that have been made in that particular area. She stated that it also provides a limited amount of state funding to pay for those local public improvements as long as there is a local match, and as long as the anticipated growth in state revenues equals or exceeds the state contribution. Ms. Dale Estey also noted that the public improvements must encourage private development and generate enough increase in state and local sales and use taxes, or property taxes, to meet the particular funding mechanism requirement.

Ms. Dale Estey stated that the types of public improvements that can be financed using the economic development tool are roads, bridges, streetlights, sidewalks, water and sewer infrastructure upgrades, parking facilities and environmental remediation. She noted that environmental remediation may be beneficial to Renton if funding for the Quendall Terminals area is pursued.

Continuing, Ms. Dale Estey reported that applications are reviewed on a first-come first-served basis and the deadline for submitting applications is 9/1/2009. She noted that \$2.25 million was set aside for seven demonstration projects and \$2.5 million for local governments, with awards to be in the range of \$200,000 to \$500,000. She estimated that with an award of \$500,000, per year per project, approximately \$12.5 to \$15 million could be garnered through financing. She also noted that there may be a state-shared LRF tax imposed beginning 7/1/2011 for as long as the general obligation bonds have been issued. She clarified that this is not a new tax.

Ms. Dale Estey outlined the steps taken prior to applying for the LRF tool as 1) develop boundaries for the revitalization areas, 2) develop a list of proposed public improvements for each revitalization area, 3) publish public notice, 4) hold a public hearing, 5) provide notice to other local governments and taxing districts and provide them an opportunity to opt out, 6) obtain letters of intent from interested developers, 7) estimate the State and local incremental tax revenues resulting from the public and private development, 8) determine the LRF rate that is needed, and 9) adopt ordinances designating revitalization areas and specifying the proposed improvements within each area.

Ms. Dale Estey stated that the City has received opt-out notifications from all of the affected jurisdictions in the proposed revitalization areas. She also noted that the City has received numerous letters of support from property owners and developers. Ms. Dale Estey clarified that the revitalization areas must have contiguous lots, parcels, or parcels of land without creating islands, and that all of the proposed improvements must be located within the boundaries of the revitalization area. She also clarified that the areas cannot comprise more than 25 percent of the total assessed value for the entire city, and that the boundaries cannot be changed for the duration of the financing for the projects.

Ms. Dale Estey reported that the state-shared LRF tax is an authority to impose new local sales and use tax that is credited against state sales and use tax. She emphasized that it is not an additional tax on top of the 9.5 percent sales tax. She stated that it is the use of an increment of that tax that the local government can match and then issue bonds off for a number of years.

She remarked that the LRF tax will cease on the earlier of when the bonds will retire or 25 years from when the tax was first imposed. She stated that the City will have to adopt an ordinance to establish the tax rate and the effective rate of that particular increment. Ms. Dale Estey pointed out that the state contribution is the lesser of \$500,000 or the local match and the rate of the tax can be no greater than 6.5 percent. She noted that certain items will reduce the rate including subtracting the rates of all other local taxes credited against the state sales and use tax within the revitalization area (such as stadium taxes or lodging tax), and a .16 percentage required for performance audits.

Ms. Dale Estey reported that two areas within Renton are being recommended as potential revitalization areas. She stated that one area is the South Lake Washington Area which includes the Southport/Seco Development, The Landing, Boeing surplus property just south of The Landing, and a few commercial arterial (CA) zoned areas. She stated that the other area is the Port Quendall area which includes the Hawks Landing/Pan Abode property, Barbee Mill, and the Quendall Terminals site situated between the Seahawks headquarters and Barbee Mill.

For the South Lake Washington revitalization area, Ms. Dale Estey reported that the proposed public improvements include an extension of Park Ave. N. from The Landing to Southport, improvements on Garden Ave., completion of The Highlands to The Landing trail, corridor improvements along Lake Washington Blvd. N., water and sewer system upgrades, a potential parking garage, and a large project that involves bus rapid transit facilities.

For the Port Quendall revitalization area, Ms. Dale Estey reported that the proposed public improvements include reconstruction and signalization improvements on Lake Washington Blvd. N. and NE 44th St., frontage improvements along Seahawks Way and Lake Washington Blvd. N., extending the May Creek Trail, a potential new reservoir and water and sewer improvements, a potential reclaimed water facility, and three to five acres of waterfront habitat restoration, public open spaces, trails, and plaza proposals along the water front at Quendall Terminals.

Concluding, Ms. Dale Estey reemphasized that this involves no new taxes from a taxpayer's standpoint, and that there will be additional public process involving City residents, property owners, and local stakeholders. She remarked that pursuing economic development requires significant public infrastructure that the City cannot fund on its own.

Email correspondence was acknowledged from Aaron Belenky (Renton). Mayor Law noted that Mr. Belenky was in the audience and had signed up to speak during the public comments portion of the hearing.

Correspondence in support of the revitalization areas was acknowledged from Alpert International (Seattle), Century Pacific, LP (Seattle), Seco Development (Renton), Seattle Seahawks Virginia Mason Athletic Center (Renton), The Landing (Dallas, TX), Conner Homes (Bellevue), and the Renton Chamber of Commerce (Renton).

Public comment was invited.

Dan Mitzel (Mount Vernon) explained that he is on the development team for the Hawk's Landing project and expressed support for the Port Quendall revitalization area. He remarked that improving infrastructure will promote

redevelopment and new development within the area. Mr. Mitzel cited the Virginia Mason Athletic Center and the Barbee Mill projects as excellent examples of new development in the area. He noted that the Pan Abode site faces significant infrastructure challenges including transportation and signalization improvements, and rebuilding the freeway interchange with a goal of providing required capacity for new development. He opined that this incremental financing tool, with the cooperation of the private sector, is the key to making redevelopment occur in this area.

Lawrence Reymann (Renton) expressed support for the Port Quendall revitalization area. He explained that he is very involved with the May Creek watershed, and serves on many local boards in an effort to promote and teach environmental stewardship. He stated that building the May Creek Trail would enhance an essential wildlife corridor, create educational opportunities, and spur economic growth in the area. He remarked that there are runs of wild Chinook, Coho, and Sockeye salmon in the creek and opined that this could be a once in a lifetime opportunity to connect habitat from Cougar Mountain to Lake Washington. He urged Council to focus on the May Creek corridor, and to take advantage of an opportunity that may not be available in the future.

Aaron Belenky (Renton) remarked that he is the president of a homeowners' association that is located just outside the boundaries of the Port Quendall revitalization area. He stated that he disagrees with portions of the proposal, noting that there has been a number of car break-ins in his neighborhood, and it is also in need of road maintenance, streetlights, and other safety enhancements. He expressed concern over a proposed \$40 million park that is to be located near \$3 million homes and requested that the boundary be adjusted to include his condominium complex, so the needed improvements in his area could be covered by the proposed plan.

Responding to Council President Corman's inquiry, Ms. Dale Estey stated that the revitalization area boundary cannot be altered once it has been established and other taxing jurisdictions have been notified. She also indicated that any improvements must be made within the boundary, and the I-405 interchange at NE 44th St. was accounted for within the Port Quendall revitalization area.

MOVED BY TAYLOR, SECONDED BY CORMAN, COUNCIL REFER THE ISSUES MR. BELENKY HAS ADDRESSED (ROAD MAINTENANCE, CAR BREAK-INS, TRAFFIC SAFETY ENHANCEMENTS, AND STREET LIGHTING) TO THE ADMINISTRATION. CARRIED.

Campbell Mathewson (Seattle), Development Manager for Century Pacific, expressed support for the City's efforts to obtain local revitalization financing for the Port Quendall revitalization area. He noted that the Quendall Terminals site is currently an EPA Superfund site, and remarked that it is Century Pacific's hope to run the prospective clean-up plan concurrently with any development opportunities that may arise. He indicated that the preliminary redevelopment plan for the site includes 650 residential units, 200,000 square feet of office space, 20,000 square feet of retail space, and a couple of restaurants. Mr. Mathewson cited Carillon Point, the Riverfront in Portland, and the redeveloped Tacoma waterfront as examples of what could be developed at the Quendall Terminals site. He stated that in this economic environment this new economic tool is the kind of impetus necessary to spur development in the area.

Rich Wagner (Renton) remarked he is a Fellow in the American Institute of Architects, was a long-term member of the American Planning Association, and is a City resident. He stated that he lives in between the two proposed revitalization areas and his remarks are not site specific. He encouraged Council to take advantage of the new local revitalization financing tool. He also urged Council to be stewards of the money the City receives, noting that most of it comes from taxpayers. Mr. Wagner also remarked that these particular sites have property owners, key stakeholders, and residents that are excited about the redevelopment opportunities. He opined that without citizen support the redevelopment projects are just theories.

MOVED BY PARKER, SECONDED BY ZWICKER, COUNCIL CLOSE THE PUBLIC HEARING. CARRIED. (See pages 240 and 241 for additional information regarding this issue.)

ADMINISTRATIVE REPORT

Chief Administrative Officer Covington reviewed a written administrative report summarizing the City's recent progress towards goals and work programs adopted as part of its business plan for 2009 and beyond. Items noted included:

- ✧ Several members of the City Council and staff met with representatives from the Washington State Auditor's Office on 8/7/2009 to receive the results of their audit. The audit found no findings and no management letters, and the report will be posted on the City's website when it is finalized.
- ✧ Last week the City Council was presented with information regarding the City's second quarter financial report and preliminary revenue estimates for 2010. As a reminder, the negotiations between the City and its unions are ongoing and any 2010 salary and benefit increases are unknown at this time.

AUDIENCE COMMENT

Citizen Comment: Johnson -
Hanging Flower Baskets

Arland "Buzz" Johnson (Renton) displayed a photograph of a hanging flower basket taken in Lake Oswego, Oregon. He commended the City for taking steps to reduce the budget, but remarked that flowers are a way to attract people and businesses to the City. He also suggested that the City encourage merchants to pay for their own flower baskets.

CONSENT AGENDA

Items listed on the consent agenda are adopted by one motion which follows the listing.

Council Meeting Minutes of
8/3/2009

Approval of Council meeting minutes of 8/3/2009. Council concur.

CAG: 08-201, Liberty Park
Ballfield Lighting, Service
Electric Company

Community Services Department submitted CAG-08-201, Liberty Park Ballfield Lighting; and requested approval of the project, commencement of a 60-day lien period, and release of retained amount of \$11,323.07 to Service Electric Company, Inc., contractor, if all required releases are obtained. Council concur.

Fire: Emergency Management
Performance Grant, WA State
Military Department, Budget
Amendment

Fire and Emergency Services Department recommended approval of an agreement with the Washington State Department of Homeland Security for Emergency Management Performance Grant funds in the amount of \$109,696, and approval for appropriation and expenditure of the funds to support the emergency management program. Council concur. (See page 241 for ordinance.)

CAG: 09-075, Stage II Lake Washington Trail South Lake Connector, WHPacific

Transportation Systems Division recommended approval of Supplemental Agreement No. 1 to CAG-09-075, with WHPacific, in the amount of \$64,433 for additional services for the Stage II Lake Washington Trail South Lake Connector project. Council concur.

MOVED BY CORMAN, SECONDED BY PALMER, COUNCIL APPROVE THE CONSENT AGENDA AS PRESENTED. CARRIED.

UNFINISHED BUSINESS
Committee of the Whole:

CED: South Lake Washington & Port Quendall, Local Revitalization Areas

Council President Corman presented a report recommending adoption of the ordinance designating the South Lake Washington area of the City of Renton as a "Revitalization Area" and specifying proposed public improvements to be made with local revitalization financing.

The Committee also recommended adoption of the ordinance designating the Port Quendall area of the City of Renton as a "Revitalization Area" and specifying proposed public improvements to be made with local revitalization financing.

The Committee further recommended that the ordinances regarding this matter be presented for first reading.

MOVED BY CORMAN, SECONDED BY TAYLOR, COUNCIL CONCUR IN THE COMMITTEE REPORT. CARRIED. (See page 241 for ordinances.)

Finance Committee

Lease: LSI Logic Corporation, 200 Mill Building (3rd Floor), LAG-00-002

Finance Committee Chair Persson presented a report recommending concurrence in the staff recommendation to approve an extension of the lease with LSI Logic Corporation (formerly known as Engenio Information Technologies, Inc.) for a portion of the third floor of the 200 Mill Building and authorizing the Mayor and City Clerk to sign the amendment.

MOVED BY PERSSON, SECONDED BY TAYLOR, COUNCIL CONCUR IN THE COMMITTEE REPORT. CARRIED.

Community Services: High School Golf Course Team Fee Waivers

Finance Committee Chair Persson presented a report recommending concurrence in the staff recommendation to authorize the Maplewood Golf Course to waive associated fees for Renton, Lindbergh, Hazen and Liberty High School golf teams for the 2009-2010 season.

MOVED BY PERSSON, SECONDED BY TAYLOR, COUNCIL CONCUR IN THE COMMITTEE REPORT. CARRIED.

Finance: Valley Cities Association, Broadband Technology Opportunities Program

Finance Committee Chair Persson presented a report recommending concurrence in the staff recommendation to approve a resolution in support of a Broadband Technology Opportunities Program (BTOP) grant request to complete a fiber optic backbone project from the City of Renton to the City of Puyallup. The City of Auburn will be the lead agency for this grant.

The Committee further recommended that the resolution regarding this matter be presented for reading and adoption.

MOVED BY PERSSON, SECONDED BY TAYLOR, COUNCIL CONCUR IN THE COMMITTEE REPORT. CARRIED. (See page 241 for resolution.)

CED: Legislative Consulting Services, Doug Levy

Finance Committee Chair Persson presented a report recommending approval of the contract with Outcomes by Levy in the amount of \$51,800 to provide State Legislative consulting services. The Committee further recommended that the Mayor and City Clerk be authorized to sign the agreement. MOVED BY PERSSON, SECONDED BY TAYLOR, COUNCIL CONCUR IN THE COMMITTEE REPORT. CARRIED.

RESOLUTIONS AND ORDINANCES

The following resolution was presented for reading and adoption:

Finance: Valley Cities Association, Broadband Technology Opportunities Program

A resolution was read endorsing the efforts of the Valley Cities Association and authorizing the Mayor to apply for a Federal grant to fund broadband opportunities offered through the U.S. Department of Commerce. MOVED BY PERSSON, SECONDED BY TAYLOR, COUNCIL ADOPT THE RESOLUTION AS READ. CARRIED.

The following ordinances were presented for first reading and referred to the Council meeting of 8/17/2009 for second and final reading:

CED: South Lake Washington, Local Revitalization Area

An ordinance was read designating the South Lake Washington area of the City of Renton as a revitalization area and specifying proposed public improvements to be made with local revitalization financing. MOVED BY CORMAN, SECONDED BY ZWICKER, COUNCIL REFER THE ORDINANCE FOR SECOND AND FINAL READING ON 8/17/2009. CARRIED.

CED: Port Quendall, Local Revitalization Area

An ordinance was read designating the Port Quendall area of the City of Renton as a revitalization area and specifying proposed public improvements to be made with local revitalization financing. MOVED BY CORMAN, SECONDED BY ZWICKER, COUNCIL REFER THE ORDINANCE FOR SECOND AND FINAL READING ON 8/17/2009. CARRIED.

Fire: Emergency Management Performance Grant, WA State Military Department, Budget Amendment

An ordinance was read amending the 2009 Budget by increasing Fund 000 by \$74,696 for the purpose of supplemental funding to support the City's emergency management program. MOVED BY TAYLOR, SECONDED BY ZWICKER, COUNCIL REFER THE ORDINANCE FOR SECOND AND FINAL READING ON 8/17/2009. CARRIED.

NEW BUSINESS

Citizen Comment: Lall - Fire Inspection Report, 500 Union Apartments

MOVED BY PARKER, SECONDED BY ZWICKER, COUNCIL REFER THE CORRESPONDENCE FROM CHANDER P. LALL, UNION 500 APARTMENTS, (REGARDING A FIRE INSPECTION REPORT) TO THE ADMINISTRATION. CARRIED.

ADJOURNMENT

MOVED BY CORMAN, SECONDED BY ZWICKER, COUNCIL ADJOURN. CARRIED.
Time: 8:07 p.m.

Bonnie I. Walton, CMC, City Clerk

Jason Seth, Recorder
August 10, 2009